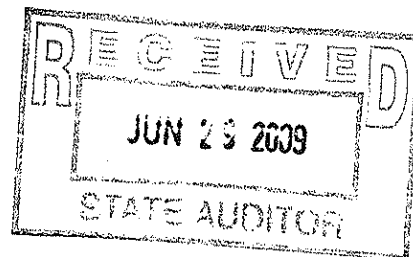


**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**



**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
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**FOR THE YEAR ENDED DECEMBER 31, 2008**

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ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Grand County Cemetery Maintenance District  
Moab, Utah 84532

We have reviewed the accompanying financial statements of the governmental activities of each major fund of the Grand County Cemetery Maintenance District as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Grand County Cemetery Maintenance District.

A review consists principally of inquiries of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis, as listed in the financial section of the table of contents, is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

SMUIN, RICH & MARSING



Price, Utah

May 20, 2009

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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Our discussion and analysis of Grand County Cemetery Maintenance District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2008.

**FINANCIAL HIGHLIGHTS**

- ❖ The District's net assets decreased \$2,118 as a result of this year's operations. Net assets of our governmental activities (the only activity that the District has) decreased by 0.75 percent.
- ❖ Total expenses of \$212,278 were \$2,118 more than the revenues received of \$210,160 for governmental activities.
- ❖ Property tax revenue for the year ended December 31, 2008 was \$184,573. This was an increase of \$3,452 from the year ended December 31, 2007.
- ❖ The General Fund reported an excess of \$7,022 and the Capital Project Fund reported a decrease of \$2,082.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The financial reports, Statement of Net Assets and the Statement of Activities (on pages 8 and 9), provide information about the activities of the District as a whole and present a long-term view of the District's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

**REPORTING THE DISTRICT AS A WHOLE**

Our analysis of the District as a whole begins on page 8. The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps determine if the District is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. Net assets equal the difference between assets and liabilities. This is one way to measure the District's financial position. Increases or decreases in the District's net assets are one indicator of whether the financial position of the District is improving or deteriorating.

## REPORTING THE DISTRICT AS A WHOLE (Continued)

In the Statement of Net Assets and the Statement of Activities, the District shows all of the activities in one fund.

Governmental activities—All of the District's basic services are reported here, including the general and administration cost. Charges for services and property tax revenues finance most of these activities.

### Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 10. The fund financial statements begin on page 10 and provide detailed information about the most significant funds. Some funds are required to be established by State law and by bond covenants. The District established a fund to help it control and manage money for a particular purpose (capital projects) and to show that it is meeting legal responsibilities for using taxes, grants, and other money. The District is operated with governmental funds, which use a different accounting approach.

Governmental *funds*—All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship or differences between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation on page 11, following the fund financial statements.

### The District as Trustee

The District does not hold any funds or property in a trustee capacity. Consequently, no trustee information is required to be presented.

### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The District's Statement of Net Assets, which decreased during the current calendar year, presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. The analysis on the following pages, focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

**Government-wide financial statements (Continued)**

**Table 1**  
**Net Assets**

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b>2008</b>	<b>2007</b>
Current and other assets	\$ 226,714	\$ 227,727
Capital assets	58,488	65,064
<b>Total assets</b>	<b>\$ 285,202</b>	<b>\$ 292,791</b>
Current liabilities	\$ 4,411	\$ 9,882
<b>Total liabilities</b>	<b>\$ 4,411</b>	<b>\$ 9,882</b>
Net assets:		
Invested in capital assets, net of debt	\$ 58,488	\$ 65,064
Restricted for:		
Capital projects	50,928	53,010
Unrestricted	171,375	164,835
<b>Total net assets</b>	<b>\$ 280,791</b>	<b>\$ 282,909</b>

Net Assets of the District's governmental activities decreased by 0.75 percent (\$280,791) compared to \$282,909). *Unrestricted* net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—is \$171,375 at the end of the year. These net assets are used to finance the continuing operations of providing services to the District.

**Government-wide financial statements (Continued)**

**Table 2**  
**Changes in Net Assets**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 17,100	\$ 16,105
General Revenues:		
Taxes	184,573	181,121
Investment earnings	6,482	6,426
Other revenues	2,005	400
<b>Total revenues</b>	<b>\$ 210,160</b>	<b>\$ 204,052</b>
<b>Program Expenses</b>		
General government	\$ 212,278	\$ 195,525
<b>Total expenses</b>	<b>\$ 212,278</b>	<b>\$ 195,525</b>
<b>Change in net assets</b>	<b>\$ (2,118)</b>	<b>\$ 8,527</b>
Net Assets - beginning	\$ 282,909	\$ 274,382
Net Assets - ending	280,791	282,909
	<b>\$ (2,118)</b>	<b>\$ 8,527</b>

The District's operational goals for future years is to continue to strive to use the allotted funds in the best interest of the District and those who are served by the District's operations. As revenues increase, the funds will be used to purchase necessary supplies and equipment that are appropriate and deemed beneficial.

**Governmental Activities**

Revenues for the District's governmental type activities increased by 2.99 percent while total expenses increased 8.57 percent. Charges for services increased 6.18 percent and property tax revenues increased 1.91 percent. The largest source of funds for the current year was property tax revenue. Net assets for governmental activities decreased \$2,118 in 2008.

### Governmental Activities (continued)

The cost of all governmental activities this year was \$212,278. As shown in the Statement of Activities on page 9, the amount that charges for services revenue ultimately paid for these activities, was minimal. Most of the cost of governmental activities was paid by property tax revenues. Overall, the District's governmental program revenues, including fees for services, increased in 2008 from \$16,105 to 17,100.

Costs of the District are all centered within one program—general government. The net cost of expenditures (over) or under specific program revenues shows the financial burden that utilizes the tax revenue and other miscellaneous revenues.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District's original budget was adopted on December 13, 2007 and was not adjusted. The actual charges for expenditures were \$192,734, which was \$14,682 over the budgeted amount. Negative variances occurred in salaries and benefits (\$3,038) and Other operating expenses (\$25,644). Resources for revenues were \$209,756, which was \$31,704 above the budgeted amount.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of December 31, 2008, the District had \$58,488 invested in a broad range of capital assets, including land, improvements, and equipment (see Table 3 below). This amount represents a net decrease (including additions and deletions) of \$6,576, or a 10.11 percent decrease over the previous year.

**Table 3**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**  
**December 31, 2008**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>
Land	\$ 10,147	\$ 10,147
Improvements	11,541	13,923
Equipment	36,800	40,994
Total asset activities	<u>\$ 58,488</u>	<u>\$ 65,064</u>



## **CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

Major capital expenditures during the current calendar year were the following:

2004 Ford Ranger pickup	\$ 6,966
Fuel tanks and transfer pumps	1,794
Air compressor	591
Lawn mower	<u>3,135</u>

Paid with revenue from charges for services and taxes	
Total	<u>\$ 12,486</u>

The District's calendar year 2009 capital budget calls for spending on capital projects, principally for updating the sprinkling system in the new Sunset Cemetery, called Garden 3, needed by the District. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

### **Debt**

The District has not issued bonds and has no loans, mortgages, or other long-term debt.

## **ECONOMIC FORECAST AND FUTURE BUDGET**

The District has continued to develop plans in the one to three year range. The District is in the process of expanding the garden in our Sunset Cemetery (called Garden 3). We are working to update the sprinkling system in that area. The District believes that the current operations and the immediate future are very stable. We feel that there will not be any major changes in operations or any significant capital expenditures. Ongoing operations have been handled effectively with the current personnel and with the help of seasonal contract labor, the District has been able to provide and maintain adequate Cemetery services. We are always striving to keep the Cemetery facilities in exceptional condition and will continue to use the available resources for these purposes.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our community with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cemetery Sexton at 2651 Spanish Valley Dr., P. O. Box 64, Moab, Utah 84532.

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2008**

	<u>GOVERNMENTAL ACTIVITIES</u>
 <b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 163,940
Cash and cash equivalents - restricted	40,928
Taxes receivable	21,846
	<hr/>
Total current assets	\$ 226,714
	<hr/>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	
Land	\$ 10,147
Improvements	11,541
Equipment	36,800
	<hr/>
Total noncurrent assets	\$ 58,488
	<hr/>
Total assets	\$ 285,202
	<hr/> <hr/>
 <b><u>LIABILITIES AND NET ASSETS</u></b>	
LIABILITIES:	
Current liabilities:	
Payroll taxes payable	\$ 1,917
Compensated absences	2,494
	<hr/>
Total liabilities	\$ 4,411
	<hr/>
NET ASSETS:	
Invested in capital assets, net of related debt	\$ 58,488
Restricted for:	
Capital projects	50,928
Unrestricted	171,375
	<hr/>
Total net assets	\$ 280,791
	<hr/>
Total liabilities and net assets	\$ 285,202
	<hr/> <hr/>

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

		Program Revenues		Net (Expense)
			Capital	Revenue and
				Changes in
				Net Assets
	Expenses	Charges for	Grants and	Governmental
		Services	Contributions	Activities
<b><u>FUNCTION/PROGRAMS</u></b>				
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 212,278	\$ 17,100		\$ (195,178)
Total governmental activities	\$ 212,278	\$ 17,100	\$ ...	\$ (195,178)
General Revenues:				
Taxes				\$ 184,573
Miscellaneous				2,005
Investment earnings				6,482
Total general revenues, special items, and transfers				\$ 193,060
Change in net assets				\$ (2,118)
Net assets - beginning				282,909
Net assets - ending				\$ 280,791

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2008**

	GENERAL FUND	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$ 153,940		\$ 153,940
Cash and cash equivalents - restricted		\$ 50,928	50,928
Taxes receivable	21,846		21,846
	<hr/>	<hr/>	<hr/>
Total assets	\$ 175,786	\$ 50,928	\$ 226,714
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Payroll taxes payable	\$ 1,917		\$ 1,917
	<hr/>	<hr/>	<hr/>
Total liabilities	\$ 1,917	\$ ...	\$ 1,917
	<hr/>	<hr/>	<hr/>
FUND BALANCES:			
Reserved for:			
Capital projects fund		\$ 50,928	\$ 50,928
Unreserved, reported in:			
General fund	\$ 173,869		173,869
	<hr/>	<hr/>	<hr/>
Total fund balances	\$ 173,869	\$ 50,928	\$ 224,797
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 175,786	\$ 50,928	\$ 226,714
	<hr/>	<hr/>	<hr/>

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2008**

Total fund balances - governmental fund types: \$ 224,797

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.

Land	\$	10,147		
Improvements		11,541		
Equipment		36,800		58,488

Compensated absences are not due and payable in the current period and are not reported in the funds.

	\$	(2,494)		(2,494)

Net assets of governmental activities

\$ 280,791

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

			TOTAL GOVERNMENTAL FUND
	GENERAL	CAPITAL PROJECTS	DECEMBER 31, 2008
REVENUES:			
Taxes	\$ 184,573		\$ 184,573
Charges for services	17,100		17,100
Miscellaneous revenue	2,005		2,005
Interest revenue	6,078	\$ 404	6,482
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 209,756	\$ 404	\$ 210,160
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current -			
General government	\$ 192,734		\$ 192,734
Capital outlay		\$ 12,486	12,486
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 192,734	\$ 12,486	\$ 205,220
	<hr/>	<hr/>	<hr/>
Excess of revenue over (under) expenditures	\$ 17,022	\$ (12,082)	\$ 4,940
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ (10,000)		\$ (10,000)
Transfers in		\$ 10,000	10,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	\$ (10,000)	\$ 10,000	\$ ...
	<hr/>	<hr/>	<hr/>
Excess of revenues and other sources over (under) expenditures and other uses	\$ 7,022	\$ (2,082)	\$ 4,940
	<hr/>	<hr/>	<hr/>
FUND BALANCE, January 1,	166,847	53,010	\$ 219,857
	<hr/>	<hr/>	<hr/>
FUND BALANCE, December 31,	\$ 173,869	\$ 50,928	\$ 224,797
	<hr/>	<hr/>	<hr/>

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 4,940
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$12,486) was exceeded by depreciation (\$18,835) in the current period.	(6,349)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the increase in compensated absences of \$482 and a loss on disposal of capital assets of \$227.	(709)
	<hr/>
Change in net assets of governmental activities	\$ (2,118)
	<hr/> <hr/>

"See Accompanying Notes and Accountant's Review Report."

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Grand County Cemetery Maintenance District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**A. Reporting Entity**

Grand County Cemetery Maintenance District was established to provide central management, operational control, funding and fiscal responsibility for the construction, operation and management of cemetery maintenance and other related services. The District is governed by a Board of Directors appointed by the Grand County Council. The Board of Directors has all powers and duties in the operation of the District which are delegated to it by the Grand County Council, including: the power of eminent domain, the power to enter into contracts, selection of its domicile, setting of meeting times, adoption of regulations and bylaws for its operations, and the adoption of budgets. The County exercises no significant controlling powers over the District.

All financial activities over which the District has oversight responsibility are included in this report. The basis for inclusion or exclusion of other entities in the District's financial statement was based on the criteria set forth in the Governmental Accounting Standards Board (GASB) pronouncements. The basic criteria for including an entity, a board, or an agency in this report is the existence and exercise of oversight responsibility; consideration has been given to financial interdependency, ability to designate management, ability to significantly influence operations and accountability for fiscal matters. Using the above criteria, no other entities have been included in the District's financial statements.

**B. Government-Wide Financial Statements**

Generally accepted accounting principles (GAAP) require that state and local governments provide a government-wide statement of net assets and a government-wide statement of activities. These government-wide financial statements are required to be presented using the economic resources measurement focus and the accrual basis of accounting, the same measurement focus and basis of accounting employed by private-sector business enterprises and not-for-profit organizations.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

The statement of net assets is the basic government-wide statement of position that presents all of the District's permanent accounts (assets, liabilities, and net assets).

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accruals revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources then unrestricted resources, as they are needed.

D. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

E. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The District defines capital assets as assets with an initial individual cost of \$250 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Buildings, improvements, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	10 – 30
Equipment	5 – 25

F. Budgeting

Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at year-end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- 1) During November of each year, the District Manager submits to the Board a proposed operating budget for the next fiscal year commencing January 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending December 31.
- 2) Copies of the proposed budget are made available for public inspection and by review of the patrons of the District.
- 3) A public hearing is held prior to December 31 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, a public hearing is held.
- 4) Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Manager, can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah State law, interim adjustments may be made by the administrative transfer of money from one appropriation to another within any given fund.
- 5) Minor interim adjustments in estimated revenue and appropriations during the year ended December 31, are included in the final budget approved by the Board, as presented in the financial statements.
- 6) Expenditures may not legally exceed budgeted appropriations at the fund level.

G. Net Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### H. Reservation of Fund Balance

The District records reservation for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditures in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for expenditures in the capital project fund. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

### I. Compensated Absences

The District accrues vacation and sick time for full-time employees. Upon termination no payment will be made for unused sick time, but payment will be made for unused vacation time. This is the amount of Compensated Absences.

### J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## 2. DEPOSITS AND INVESTMENTS

The District follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

### **Deposits**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and investments. Income from the investment of pooled cash is allocated based on each fund's portion of the pool. In addition, cash is separately held by individual funds.

### *Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At December 31, 2008, the District's bank balance of cash on deposit was \$17,286 and of this amount \$17,286 was insured.

## 2. DEPOSITS AND INVESTMENTS (Continued)

### Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the District and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, and Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of December 31, 2008, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
State of Utah Public Treasurer's Investment Fund	\$ 196,246	\$ 196,246			
Total Investments	\$ 196,246	\$ 196,246	\$ ...	\$ ...	\$ ...

## 2. DEPOSITS AND INVESTMENTS (Continued)

### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages this risk in part by investing in the Utah Public Treasurers Investment Fund. The District also manages its exposure to fair value loss arising from increasing interest rates by complying with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptance, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has not adopted a formal policy with regards to credit risk on investments but the District informally follows the policy for reducing its exposure to credit risk by complying with the State's Money Management Act as previously discussed.

At December 31, 2008, the District had the following investments and quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
State of Utah Public					
Treasurer's Investment Fund	\$ 196,246				\$ 196,246
Total	<u>\$ 196,246</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 196,246</u>

### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's informal policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. No more than 5% of all funds may be invested in securities of a corporation that has been in continuous operation for less than three years. No more than 5% of the outstanding voting securities of any one corporation may be held. In addition, Rule 2 limits investment concentrations in certain types of investments. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

## **2. DEPOSITS AND INVESTMENTS (Continued)**

### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk. As of December 31, 2008, the District had \$196,246 invested in the Public Treasurer's Investment Fund and was held by them.

## **3. PROPERTY TAXES**

The property tax revenue of the District is collected and distributed by the Grand County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

As of December 31, 2008, property taxes receivable consists of delinquent taxes assessed but uncollected for calendar year 2008 and earlier. It is expected that all delinquencies plus accrued interest and penalties will be collected within a five-year period, during which time, the county treasurer may force the sale of property to collect the delinquent portion. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

Beginning January 1, 1992, there was levied in lieu of the ad valorem tax, an annual uniform fee based on the value of motor vehicles. The uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. On January 1, 1999, legislation became effective which made motor vehicles weighing 12,000 pounds or less subject to an "age-based" fee that is due each time the vehicle is registered. The revenues collected in each county from the uniform fee is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes age-based fee as revenue when the County collects it.

#### 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 10,147			\$ 10,147
Total capital assets not being depreciated	\$ 10,147	\$ ...	\$ ...	\$ 10,147
Capital assets being depreciated:				
Buildings	\$ 58,601			\$ 58,601
Improvements	45,850			45,850
Equipment	197,348	\$ 12,486	\$ (16,538)	193,296
Total capital assets being depreciated	\$ 301,799	\$ 12,486	\$ (16,538)	\$ 297,747
Less accumulated depreciation for:				
Buildings	\$ 58,601			\$ 58,601
Improvements	31,927	\$ 2,382		34,309
Equipment	156,354	16,453	\$ 16,311	156,496
Total accumulated depreciation	\$ 246,882	\$ 18,835	\$ 16,311	\$ 249,406
Total capital assets being depreciated, net	\$ 54,917	\$ (6,349)	\$ (227)	\$ 48,341
Governmental activities capital assets, net	\$ 65,064	\$ (6,349)	\$ (227)	\$ 58,488



5. **BUDGET COMPLIANCE**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - discloses budgetary compliance on a functional level as required by generally accepted accounting principles. Utah State law requires that budgetary compliance be measured on a fund level. During the year ended December 31, 2008, the District had unfavorable variances in Salaries and benefits of (\$3,038) and Other operating expenses of (\$25,644) in the General Fund.

6. **RESERVED FUND BALANCE**

Fund balance in the Capital Projects Fund has been reserved at December 31, 2008 as follows:

<u>Capital Projects Funds</u>	
Restricted funds – capital projects	<u>\$50,928</u>

7. **RELATED PARTY TRANSACTIONS**

The District does not have any related party transactions for the year 2008, nor are any individuals or companies deemed to be a related party.

8. **RETIREMENT**

Local Governmental - Cost Sharing

Plan Description. Grand County Cemetery Maintenance District contributes to the Local Governmental Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. In the Local Governmental Noncontributory Retirement System Grand County Maintenance District was required to contribute 11.62% from January 2008 to December 2008 of their annual employees covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

8. **RETIREMENT (Continued)**

Grand County Cemetery Maintenance District's contribution to the Noncontributory Retirement System for December 31, 2008 was \$11,899.67. The contribution was equal to the required contribution for the year. The district began their retirement plan during the year ending December 31, 2008.

9. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured through commercial companies for its general liability coverage. At December 31, 2008, the District had no claims or judgments against it related to the risks mentioned above.

**GRAND COUNTY CEMETERY MAINTENANCE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes	\$ 162,052	\$ 162,052	\$ 184,573	\$ 22,521
Charges for services	9,500	9,500	17,100	7,600
Miscellaneous revenue	1,000	1,000	2,005	1,005
Interest revenue	5,500	5,500	6,078	578
Total revenues	\$ 178,052	\$ 178,052	\$ 209,756	\$ 31,704
EXPENDITURES:				
General government - detail				
Salaries and benefits	\$ 122,757	\$ 122,757	\$ 125,795	\$ (3,038)
Other operating expenses	41,295	41,295	66,939	(25,644)
Capital outlay	14,000	14,000		14,000
Total expenditures	\$ 178,052	\$ 178,052	\$ 192,734	\$ (14,682)
Excess of revenues over (under) expenditures	\$ ...	\$ ...	\$ 17,022	\$ 17,022
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,000)	(12,000)	(10,000)	2,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ (12,000)	\$ (12,000)	\$ 7,022	\$ 19,022
Fund balances - beginning of year	12,000	12,000	166,847	154,847
Fund balances - end of year	\$ ...	\$ ...	\$ 173,869	\$ 173,869